

Message Text

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12

ACTION EB-07

INFO OCT-01 AF-08 ARA-06 EA-07 EUR-12 NEA-10 IO-13 ISO-00

FEA-01 ERDA-05 AID-05 CEA-01 CIAE-00 CIEP-01 COME-00

DODE-00 FPC-01 H-01 INR-07 INT-05 L-03 NSAE-00 NSC-05

OMB-01 PM-04 OES-06 SP-02 SS-15 STR-04 TRSE-00

ACDA-07 PA-01 PRS-01 NSCE-00 SSO-00 USIE-00 INRE-00

FRB-03 XMB-02 OPIC-03 LAB-04 SIL-01 /153 W

----- 102928

O R 121135Z DEC 76

FM AMEMBASSY DOHA

TO SECSTATE WASHDC IMMEDIATE 2080

INFO AMEMBASSY ABU DHABI

AMEMBASSY ALGIERS

USINT BAGHDAD

AMEMBASSY CARACAS

AMEMBASSY JAKARTA

AMEMBASSY JIDDA

AMEMBASSY KUWAIT

AMEMBASSY LAGOS

AMEMBASSY LIBREVILLE

AMEMBASSY LONDON

AMEMBASSY MANAMA

AMEMBASSY MUSCAT

AMEMBASSY QUITO

AMEMBASSY TEHRAN

AMEMBASSY TRIPOLI

AMEMBASSY VIENNA

C O N F I D E N T I A L DOHA 1336

E.O. 11652: GDS

TAGS: PFOR OPEC ENRG QA US

SUBJ: OPEC MINISTERIAL CONFERENCE: PRICE DECISION, ETC.--

FURTHER QATARI VIEWS

REF: DOHA 1261, DOHA 1262, STATE 301174

1. SUMMARY: SENIOR GOVT OF QATAR OFFICIALS PREDICT THAT OPEC
MINISTERIAL IN DOHA WILL AGREE ON AT LEAST TEN PERCENT PRICE
INCREASE. THEY REMAIN CRITICAL OF US TACTICS IN ATTEMPTING TO
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PREVENT ANY PRICE INCREASE, AND EMPHASIZE NEED FOR CONTINUAL,

BUT QUIET, DIALOGUE WITH U.S. ON OIL PRICES AND OTHER INTERNATIONAL ECONOMIC ISSUES. END SUMMARY.

2. ON DEC 12 I AGAIN REVIEWED US POSITION OPPOSING ANY OPEC OIL PRICE INCREASE WITH QATARI MINISTER OF FINANCE AND PETROLEUM, SHAYKH ABDUL AZIZ BIN KHALIFA AL THANI. CONVERSATION FOLLOWED LINES OF THOSE PREVIOUSLY REPORTED. I ASSERTED US RESPONSIBILITY AS PRIMARY FREE WORLD ECONOMIC POWER TO SPEAK OUT AGAINST ANY PRICE HIKE AS DAMAGING TO DCS, LDCS, CONSUMERS AND PRODUCERS ALIKE. ABDUL AZIZ RESPONDED BY DISPUTING OUR STATISTICS AND CRITICIZING WHAT HE DESCRIBED AS OUR TACTICS OF CHALLENGE AND THREAT, WHICH HE SAID PRECLUDED OUR ACHIEVING OUR DECLARED GOAL OF PREVENTING PRICE INCREASE. IN THIS CONTEXT, ABDUL AZIZ REITERATED HIS PLEA FOR QUIET AND FREQUENT HIGH LEVEL CONSULTATIONS BETWEEN USG AND GOQ ON OIL PRICES AND OTHER INTERNATIONAL ECONOMIC ISSUES, AND MENTIONED HIS INABILITY TO SEE SECRETARY DURING HIS SEPT 1975 VISIT TO U.S. ABDUL AZIZ STATED THHAT HE HOPED IN NEAR FUTURE WE COULD ESTABLISH FORMAL FRAMEWORK FOR SUCH RELATIONSHIP, SUCH AS OUR JOINT COMMISSIONS IN NEIGHBORING COUNTRIES OR TRADE AND ECONOMIC COOPERATION AGREEMENTS SIMILAR TO THOSE GOQ HAD SIGNED WITH UK AND FRANCE. I SAID WE WERE ALWAYS PREPARED TO DISCUSS SUCH COOPERATIVE ARRANGEMENTS WITH GOQ.

3. I THEN ASKED ABDUL AZIZ FOR HIS PERSONAL PREDICTION ON HOW PRICE DISCUSSION WOULD GO DURING OPEC MINISTERIAL. HE ANSWERED THAT A PRICE RISE WITHIN TEN TO FIFTEEN PERCENT RANGE WAS A CERTAINTY, AND THAT IT APPEARED TEN PERCENT WAS MINIMUM THAT COULD BE EXPECTED. RE LINE UP, HE SAID SIX COUNTRIES, INCLUDING IRAN, LIBYA AND IRAQ, WOULD PRESS FOR FIFTEEN PERCENT. ACCORDING ABDUL AZIZ, TEN PERCENTERS INCLUDED SAUDIS, UAE, KUWAIT AND A VERY RELUCTANT QATAR, WITH INDONESIA ALSO LEANING TOWARD TEN PERCENT SIDE. THE REST, HE SAID, WERE FLOATING SOMEWHERE IN BETWEEN.

4. ON DEC 11 I REVIEWED US OPPOSITION TO OPEC PRICE INCREASE WITH DR HASSAN KAMEL, AMIR'S SENIOR ADVISOR, WHO HAS PLAYED AN IMPORTANT ROLE IN OPEC AFFAIRS OVER THE YEARS. KAMEL ALSO WAS CRITICAL OF US JAWBONING TACTICS, AND SAID THAT THESE HAD ASSURED A PRICE INCREASE OF AT LEAST TEN PERCENT. ACCORDING KAMEL, OUR PUBLIC CHALLENGE, PARTICULARLY TO ARAB OIL PRODUCERS, CONFIDENTIAL

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HAD PUT OUR BEST FRIENDS IN AREA IN A AWKWARD SPOT, MAKING THEM UNABLE TO GIVE ON PRICE, EVEN IF THEY HAD BEEN SO DISPOSED.

5. RE CONFERENCE ITSELF, KAMEL TOLD US THAT HE HAD DRAFTED ADDRESS WHICH AMIR WILL PRESENT AT OPENING SESSION. HE DESCRIBED SPEECH AS A MODERATE ONE, WHICH WOULD CAREFULLY RESPECT SENSITIVITIES OF ALL CONFERENCE PARTICIPANTS, AS WELL AS THOSE OF WORLD COMMUNITY. HE CONFIDED THAT SPEECH WOULD CONTAIN A CERTAIN

AMOUNT OF IMPLIED CRITICISM OF
S.S. BECAUSE OF WHAT WAS REGARDED
AS OUR UNFORTHCOMING ATTITUDE IN NORTH/SOUTH TALKS. IN GENERAL,
SAID KAMEL, AMIR'S ADDRESS WOULD UNDERLINE OPEC'S RESPONSIBILITY
TO WORLD COMMUNITY AS TRUSTEE OF VALUABLE RESOURCE, AND RECIPROCAL
RESPONSIBILITY OF INDUSTRIALIZED NATIONS IN PARTICULAR TO
COOPERATE WITH PRODUCERS AND DEVELOPING COUNTRIES IN ESTABLISHING
NEW INTERNATIONAL ECONOMIC ORDER THAT WOULD BETTER REFLECT
ACTUAL INTERDEPENDENCE OF ALL NATIONS.
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